

Message Text

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C O N F I D E N T I A L CAIRO 10536

LIMDIS

E.O. 11652: GDS

TAGS: EFIN PFOR CPRS EG

SUBJECT: CLAIMS AGAINST EGYPT (SEVENTEENTH
MEETING OF JOINT COMMITTEE)

1. THE SEVENTEENTH MEETING OF THE JOINT COMMITTEE WAS HELD AT
DR. DEWIDAR' OFFICE.

2. IN GENERAL STATEMENT, DEWIDAR SAID THAT TASK OF JOINT COMMITTEE
WAS TO IDENTIFY DIFFICULTIES AND RESOLVE THEM IN SPIRIT OF THE IMPROV-

ING POLITICAL RELATIONS BETWEEN THE TWO COUNTRIES. FOR EGYPT, IT WAS
ALSO A PROBLEM OF ACCORDING PRIVILEGES/CONCESSIONS TO US NATIONALS
AND NATURALIZED US NATIONALS OVER AND ABOVE TREATMENT ACCORDED
OTHER NATIONALS UNDER PREVIOUS AGREEMENTS CONCLUDED BY EGYPT.
US DEL RESTATED US VIEW ON NEED TO SETTLE CLAIMS IN POLITICAL
CONTEXT AND RELATIONS WITH US CONGRESS WHICH IN CURRENT FISCAL YEAR
WOULD BE ASKED TO APPROVE VERY HIGH PERCENTAGE OF TOTAL US
FOREIGN ASSISTANCE FOR EGYPT. NUMEROUS MEMBERS OF CONGRESS HAVE
ALREADY EVINCED INTEREST IN THE SATISFACTORY SETTLEMENT OF CLAIMS
OF US NATIONALS. DR. DEWIDAR RESPONDED THAT THE EGYPTIAN AUTHORITIES
FULLY APPRECIATED THAT FACT.

2. AGRICULTURAL LAND REFORM CASES. EGYPT/DEL PROPOSED
SETTLEMENT THIS CATEGORY OF CASES ON BASIS OF ABOUT 961 FEDDANS
FOR TOTAL AMOUNT OF \$788,000. US/DEL POINTED OUT THAT AMOUNT OF
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LAND ACCORDING TO ITS ESTIMATE WAS PREVIOUSLY LISTED AT ABOUT

1354 FEDDANS EXCLUDING A NUMBER OF LATE CASES AND PRELIMINARY AGREEMENT HAD BEEN REACHED TO VALUE THE LAND AT 350 EGYPTIAN POUNDS PER FEDDAN. AFTER EXCHANGE OF VIEWS BOTH SIDES AGREED OVER AMOUNT OF LAND AT 1,600 FEDDANS, EXCLUDING THE AMERICAN MISSION CASE, THE SALLOUM CASE INVOLVING ABOUT 1440 FEDDANS AND BALLANCE OF TORIEL CASE INVOLVING 100 FEDDANS. EGYPT/DEL PROPOSED VALUATION OF LAND AT 300 EGYPTIAN POUNDS PER FEDDAN. US/DEL AT THIS STAGE, AHERED TO PREVIOUSLY AGREED FIGURE OF 350 EGYPTIAN POUNDS PER FEDDAN. COMMENT: IN VIEW OF INCREASED AMOUNT OF LAND NOW AGREED AND SEPARATE SETTLEMENT OF THREE CASES MENTIONED ABOVE, FIGURE OF 300 EGYPTIAN POUNDS PER FEDDAN WOULD YIELD TOLERABLE AND ACCEPTABLE AGGREGATE AMOUNT. AS FALL BACK POSITION, RECOMMEND AUTHORIZATION TO ACCEPT LOWER FIGURE AT APPROPRIATE TIME.

3. SALLOUM CASE A(18). US CLAIM FOR THIS CASE FOR ABOUT 1400 FEDDANS IS BEING VIGOROUSLY DISPUTED BY EGYPT/DEL FOR LACK OF SUPPORTING LEGAL PROOF. NO COMPETENT SUPPORTING EVIDENCE HAS BEEN FILED BY CLAIMANT. US/DEL HAS ASKED EGYPT/DEL FOR FORMAL PRODUCTION OF REBUTTAL EVIDENCE AS PART OF ITS BURDEN OF PROCEEDING WITH THE PROOF AFTER INTRODUCTION OF PRIMA FACIE CASE BY US/DEL. FINAL OUTCOME IS IN SERIOUS DOUBT AND PRUDENT COMPROMISE IS RECOMMENDED TO EFFECT MAXIMUM BENEFIT SALVAGE AT APPROPRIATE TIME.

4. PLENTL CASE A(7): EGYPT/DEL HAS SUPPLIED FORMAL DOCUMENT NOTIFYING RELEASE OF THIS PROPERTY.

5. AMERICAN MISSION CASE A (1). NOTWITHSTANDING PREVIOUS ASSURANCES THAT ONE PIECE OF LAND AT ASSIUT VALUED AT 400,000 EGYPTIANS POUNDS HAS BEEN RELEASED BY THE AGIRCULTURAL REFORM AUTHORITY, IT NOW DEVELOPS THAT THE MINISTRY OF EDUCATION HAS DECIDED TO EXPROPRIATE THE LAND CONCERNED FOR A PUBLIC PURPOSE FOR A SCHOOL. FURTHER PERMANENT CONSTRUCTIONS WERE COMMENCED ON OCT 12. IN VIEW OF APPARENT FAIT ACCOMPLI BOTH US/DEL AND EGYPT/DEL AGREED TO RECOMMEND RESOLUTION OF CASE AS FOLLOWS: (A) COMPENSATION OF 800,000 EGYPTIAN POUNDS TO AMERICAN MISSION FOR ALL FOUR PIECES OF LAND TAKEN; (B) PLUS SEPARATE EXCHANGE OF LETTERS REGARDING FUTURE DISPOSITION OF TWO HOSPITALS ON LEASE TO EGYPTIAN MINISTRY OF HEALTH AND DEPT OF ARMY, AND (C) STIPULATION THAT GOE WILL QUASH ALL PROCEEDINGS AGAINST AMERICAN MISSION

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FOR BACK INCOME TAXES AND LAND IMPROVEMENT TAXES. THIS RECOM-
MENDATION WILL BE SUBMITTED BY EGYPT/DEL TO MINECONOMY FOR PRIOR
APPROVAL.

COMMENT: IT IS NOW OBVIOUS THAT DR. DEWIDAR AND EGYPT/DEL HAVE
NO AUTHORITY TO NEGOTIATE AND MAKE BINDING PROPOSALS EVEN AD REFERENDUM

AT THIS STAGE. IF US/DEL CAN OBTAIN PROPOSED SOLUTION, AMERICAN MISSION

FROM ALL PREVIOUS INDICATIONS, WILL ALSO FIND IT ACCEPTABLE. US/DEL
WILL CONSULT REV MCGILL OF AMERICAN MISSION BEFORE FORMALLY SETTLING
THIS POINT AD REFERENDUM DEPT.

6. ROELKER CASE A(9). EGYPT/DEL CONTINUES TO OBJECT TO AMOUNT OF
LAND CLAIMED BY ROELKER AND HER DUAL EGYPTIAN NATIONALITY. COMMENT:
HOWEVER, CASE APPEARS MANAGEABLE WITHIN CONTEXT OF INAL
COMPROMISE ON AGRICULTURAL LAND CASES.

7. ROSENGARDEN CASE A(10). EGYPT/DEL MAKES SAME OBJECTIONS IN
IDENTICAL ROELKER CASE A(9).

8. NEXT (EIGHTEENTH) MEETING OF THE JOINT COMMITTEE IS SCHEDULED FOR
TUESDAY, OCTOBER 21.
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